

**OCCUPATIONAL CODE (EXCERPT)**  
**Act 299 of 1980**

\*\*\*\*\* 339.2504.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 1, 2015 \*\*\*\*\*

**339.2504.amended Real estate broker's license; requirements; renewal or reinstatement of license; prelicensure classroom courses; suspension or revocation of approval; prohibited representations; conduct of prelicensure course; violation of subsection (4); penalties; real estate clinic, meeting, course, or institute; sponsoring studies, research, and programs.**

Sec. 2504. (1) Both of the following must be met before an applicant receives a real estate broker's license under this article:

(a) The applicant must submit an application under section 2505.

(b) The applicant, if the applicant is an individual, or the individual designated as the principal of the applicant under section 2505 if the applicant is not an individual, must successfully complete at least 90 clock hours of approved prelicensure classroom courses in real estate, of which at least 9 clock hours is instruction on civil rights law and equal opportunity in housing. The 90 hours are in addition to the hours required to obtain a real estate salesperson's license.

(2) Before he or she is permitted to take the real estate salesperson's examination, the applicant must show proof that he or she has successfully completed at least 40 clock hours of approved prelicensure classroom courses in principles of real estate, of which at least 4 clock hours is instruction on civil rights law and equal opportunity in housing.

(3) For purposes of subsections (1) and (2), approved prelicensure courses may be on the following topics:

(a) Real estate license law and related regulatory laws.

(b) Real property law, including property interests and restrictions.

(c) Federal, state, and local tax laws affecting real property.

(d) Conveyances, including contracts, deeds, and leases.

(e) Financing, including mortgages, land contracts, foreclosure, and limits on lending procedures and interest rates.

(f) Appraisal of real property.

(g) Design and construction.

(h) Marketing, exchanging, and counseling.

(i) The law of agency.

(j) Sales and office management, including listing and selling techniques.

(k) Real estate securities and syndications.

(l) Investments, including property management.

(4) A person that offers or conducts a prelicensure course or courses of study represented to meet the educational requirements of this section shall first obtain approval from the department and shall comply with the rules of the department concerning curriculum, instructor qualification, grading system, and other related matters. A course shall be designed to be taught for at least 1 clock hour, not including time spent on breaks, meals, or other unrelated activities. The department may suspend or revoke the approval of a person for a violation of this article or of the rules promulgated under this article. A person that offers or conducts a course shall not represent that its students are assured of passing an examination required by the department. A person shall not represent that the issuance of departmental approval is a recommendation or indorsement of the person to which it is issued or of a course of instruction given by it. A prelicensure course approved under this section shall be conducted by a local public school district, a community college, an institution of higher education authorized to grant degrees, or a proprietary school licensed by the department under the proprietary schools act, 1943 PA 148, MCL 395.101 to 395.103.

(5) A person that violates subsection (4) in operating a school that provides 1 or more courses described in this section is subject to the penalties set forth in article 6.

(6) The department may conduct, hold, or assist in conducting or holding, a real estate clinic, meeting, course, or institute, which shall be open to a person licensed under this article, and may incur the necessary expenses in connection with the clinic, meeting, course, or institute. The department, in the public interest, may assist educational institutions in this state in sponsoring studies, research, and programs for the purpose of raising the standards of professional practice in real estate and the competence of a licensee.

**History:** 1980, Act 299, Imd. Eff. Oct. 21, 1980;—Am. 1983, Act 144, Eff. Jan. 1, 1985;—Am. 1984, Act 413, Eff. Mar. 29, 1985;—Am. 2002, Act 611, Imd. Eff. Dec. 20, 2002;—Am. 2003, Act 196, Imd. Eff. Nov. 10, 2003;—Am. 2014, Act 106, Eff. Jan. 1, 2015.

**Popular name:** Act 299

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**Administrative rules:** R 339.22101 et seq. of the Michigan Administrative Code.